

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Sunpoint Securities,  
Inc.,

Respondent.

) ORDER TO SUSPEND THE  
) BROKER/DEALER REGISTRATION  
) OF SUNPOINT SECURITIES, INC.;  
) PROPOSED ORDER TO REVOKE  
) THE BROKER/DEALER  
) REGISTRATION OF SUNPOINT  
) SECURITIES, INC.; AND NOTICE  
) OF OPPORTUNITY FOR HEARING

.....  
**TO: SUNPOINT SECURITIES, INC., 911 W. LOOP 281 THIRD FLOOR,  
LONGVIEW, TX 75604.**

The North Dakota Securities Commissioner has conducted an investigation into the above captioned matter and has determined that:

1. Respondent, Sunpoint Securities, Inc., (Sunpoint) is a registered broker/dealer in the state of North Dakota and has been registered since June 17, 1997.
2. On November 19, 1999, the Securities and Exchange Commission (SEC) filed suit against Sunpoint and two corporate officers who the SEC allege systematically looted \$25,000,000 from a money market account maintained for Sunpoint's clients. This matter is still pending.
3. On October 14, 1999, the National Association of Securities Dealers (NASD) assessed a civil penalty of \$7,500 and ordered a disgorgement in the amount of \$6,400 for selling a private placement in violation of the terms set forth in the private placement memorandum.
4. On September 16, 1999, the NASD censured and assessed a \$15,000 fine against Sunpoint based on securities transactions made to public customers through unregistered persons.
5. On May 27, 1998, the NASD censured and assessed a \$50,000 fine against Sunpoint for failing to maintain adequate net capitalization in violation of the NASD Rules.
6. On June 3, 1994, the NASD censured and assessed a \$40,000 fine against Sunpoint and suspended Sunpoint's association with the NASD for a period

of five days for failing to maintain adequate net capitalization in violation of the NASD Rules.

### ORDER OF SUSPENSION

Based on the information set forth above, and the authority granted to the Commissioner pursuant to N.D.C.C. § 10-04-11(4), the broker/dealer registration of Sunpoint Securities, Inc. is summarily suspended pending any proceedings regarding the Proposed Order for Revocation set forth below.

### PROPOSED ORDER FOR REVOCATION

Based on the information set forth above, and the authority granted to the Commissioner pursuant to N.D.C.C. § 10-04-11(5), the Commissioner hereby proposes to revoke the registration of Sunpoint Securities, Inc. as a broker/dealer in North Dakota.

### NOTICE OF OPPORTUNITY FOR HEARING

**YOU ARE NOTIFIED** that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondent has the right to be represented by legal counsel at the hearing.

**IN TESTIMONY WHEREOF**, witness my hand and seal this 1<sup>st</sup> day of December, 1999.



Syver Vinje, Securities Commissioner  
Office of the Securities Commissioner  
600 East Boulevard Ave.  
State Capitol – Fifth Floor  
Bismarck, ND 58505-0510  
(701) 328-2910

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**AFFIDAVIT OF SERVICE  
BY MAIL**

I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On, December 2, 1999, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, a true and correct copy of the following document:

**ORDER TO SUSPEND THE BROKER/DEALER REGISTRATION  
OF SUNPOINT SECURITIES, INC.; PROPOSED ORDER TO  
REVOKE THE BROKER/DEALER REGISTRATION OF SUNPOINT  
SECURITIES, INC.; AND NOTICE OF OPPORTUNITY FOR HEARING**

A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, and addressed to:

Sunpoint Securities, Inc.  
911 W. Loop 281, 3<sup>rd</sup> Floor  
Longview, TX 75604

To the best of my knowledge, information, and belief, the addresses given above is the actual address of the parties intended to be served.

Jacqui Ferderer  
Jacqui Ferderer

Subscribed and sworn to before me this 2 day of December, 1999.

Diane Kambeitz  
Diane Kambeitz, Notary Public  
Burleigh County, North Dakota  
My commission expires 3/10/2000